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**PART 3: FIGURING THE PENALTY**

Compute penalty only if paid quarterly return(s) were not filed. Do not compute penalty for any quarter in which a timely paid estimated return was filed or there is a credit available from prior quarterly returns. Treasury will review the estimates filed and, if necessary, bill you for the appropriate penalty.

| | A | B | C | D |
|--|-----|-----|-----|-----------|
| 29 Enter the amount from line 16..... | | | | |
| 30 Penalty rate by quarter..... | 15% | 15% | 15% | 15% |
| 31 Multiply line 29 by line 30..... | | | | |
| 32 Enter the portion of line 29, column D, that is carried forward from line 29A (see below*)..... | | | | |
| 33 Penalty correction percentage..... | | | | 10% |
| 34 Multiply line 32, column D, by 10%..... | | | | |
| 35 Penalty. Subtract line 34 from line 31, if applicable..... | | | | |
| 36 Enter the amounts from line 31 or line 35, whichever applies..... | | | | |
| 37 Total penalty. Add line 36, columns A through D..... | | | | 37. _____ |
| 38 Total penalty and interest. Add lines 28 and 37. Enter here and on form C-8000, line 57 or C-8044, line 23..... | | | | 38. _____ |

*This adjustment is only necessary if a first quarter underpayment is not satisfied by payments made in the second, third or fourth quarters. To compute this line, total the amounts on line 8, columns B, C and D. If the total of these three amounts is greater than or equal to the amount on line 14, column A, then no adjustment is necessary. If line 14, column A is greater than the total of line 8, columns B, C and D, enter the difference on line 32 and compute the adjustment.

Annualization Worksheet

Complete this worksheet if your liability is not evenly distributed throughout the year.

| | A First 3 Months | B First 6 Months | C First 9 Months | D Full 12 Months |
|--|------------------------|------------------------|------------------------|------------------------|
| 1 Gross receipts..... | | | | |
| 2 Business income..... | | | | |
| 3 Compensation..... | | | | |
| 4 Additions..... | | | | |
| 5 Add lines 2 through 4..... | | | | |
| 6 Subtractions..... | | | | |
| 7 Tax base. Subtract line 6 from line 5..... | | | | |
| 8 Apportionment percentage (from C-8000H)..... | | | | |
| 9 Apportioned tax base. Multiply line 7 by line 8..... | | | | |
| 10 Net capital acquisition deduction (from C-8000D)..... | | | | |
| 11 Business loss deduction..... | | | | |
| 12 Statutory deduction if available..... | | | | |
| 13 Adjusted tax base. Subtract lines 10, 11 and 12 from line 7 or 9, whichever applies..... | | | | |
| 14 Reductions to tax base from C-8000S..... | | | | |
| 15 Taxable amount. Subtract line 14 from line 13..... | | | | |
| 16 Tax rate (see instructions)..... | | | | |
| 17 Tax before credits. Multiply line 15 by line 16..... | | | | |
| 18 Standard small business credit from C-8000C or C-8009..... | | | | |
| 19 Subtract line 18 from line 17..... | | | | |
| 20 Alternate tax from C-8000C, C-8044 or C-8009..... | | | | |
| 21 Unincorporated/S-corporation credit..... | | | | |
| 22 Other credits (from C-8000C or C-8000MC)..... | | | | |
| 23 Net tax liability. Subtract lines 21 and 22 from line 19 or 20, whichever applies..... | | | | |
| 24 Annualization ratios..... | 4 | 2 | 1.3333 | 1 |
| 25 Annualized tax. Multiply line 23 by line 24..... | | | | |
| 26 Applicable percentage..... | 21.25% | 42.5% | 63.75% | 85% |
| 27 Multiply line 25 by line 26..... | | | | |
| 28 Enter the combined amounts of line 29 from all preceding columns..... | | | | |
| 29. ESTIMATE REQUIREMENTS BY QUARTER Subtract line 28 from line 27. If less than zero, enter -0-. Enter here and on C-8020, line 6..... | | | | |

NOTE: Totals on line 29 must equal 85% of the current year tax liability on page 1, line 3.